

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS
DECEMBER, 1967

BOARDS

MRb

9368.42

B6258



EXHIBIT 1

ASSETS
December 31, 1967

CASH

Deposit in Commercial Accounts.....	\$ 6,592,977.16	
Savings Deposits at Interest.....	650,913.96	
On Hand.....	<u>600.00</u>	\$ 7,244,491.12

INVESTMENTS

United States Government Securities.....	34,746,529.81	
Public Utility & Industrial Securities.....	125,377.92	
Certificate of Deposit.....	<u>2,000,000.00</u>	36,871,907.73

<u>ACCRUED INTEREST</u>		407,426.55
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ACCOUNTS RECEIVABLE

Group Subscribers.....	4,408,489.90	
Medical Mutual of Cleveland, Inc.....	124,510.19	
Ohio Medical Indemnity, Inc.....	28,694.02	
Advances for other Service Plans.....	529,604.60	
Inter-Plan Service Benefit Bank.....	991,160.26	
Prepaid Premiums - Employees' Retirement Plan..	<u>66,842.97</u>	6,149,301.94

<u>TOTAL ADMITTED ASSETS</u>		<u>\$50,673,127.34</u>
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MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	<u>\$ 425.00</u>	
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EXHIBIT 2

LIABILITIES AND RESERVES
December 31, 1967

<u>UNEARNED INCOME (LEGAL RESERVE)</u>		\$ 6,014,641.25
<u>DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE, UNDISCHARGED AND UNREPORTED CASES</u>		12,960,307.11
<u>DUE HOSPITALS FOR ADJUSTED PAYMENTS</u>		
Payments (or Refunds) required to adjust tentative payments to audited rates.....		4,335,821.36
<u>ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES</u>		
General Accounts Payable.....	\$ 97,264.15	
Deposits for Claims of National Accounts.....	559,955.15	
Unclaimed Checks.....	53,663.88	
Medical Mutual of Cleveland, Inc.....	7,503.99	
Ohio Medical Indemnity, Inc.....	11,396.72	
Income Taxes Withheld from Employees.....	1,302.96	
Deposited for Purchase of U.S. Savings Bonds....	1,768.11	
Federal and State Social Security Taxes.....	9,916.11	
Accrued Employees' Compensation.....	150,434.44	
Reserve for Employees' Retirement Plan.....	16,000.00	
Special Fund Reserve.....	<u>6,464.65</u>	
		915,670.16
<u>RESERVES</u>		
Reserve for Adjustment of Hospital Payments, 1963-1966.....	1,125,486.13	
Reserve for Contingencies.....	<u>25,321,201.33</u>	
		<u>26,446,687.46</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$50,673,127.34</u>
 Total Persons Protected.....		1,686,026
Contingencies Reserve Per Capita.....		\$15.02
Contingencies Reserve in Months of Hospital and Administrative Expense.....		3.15

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EXHIBIT 3

STATEMENT OF INCOME AND EXPENSE

December 31, 1967

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$8,254,913.82	\$50,055,214.75	\$49,673,498.78	\$99,728,713.53
<u>EXPENSE</u>				
Administrative Expense.....	<u>271,781.59</u>	<u>1,571,960.22</u>	<u>1,623,301.78</u>	<u>3,195,262.00</u>
	<u>7,983,132.23</u>	<u>48,483,254.53</u>	<u>48,050,197.00</u>	<u>96,533,451.53</u>
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims for Hospital Care at Tentative Rates.....	7,376,720.00	41,268,100.00	43,650,430.00	84,918,530.00
Adjustment to Estimated Audited Hospital Rates.....	779,300.00	3,233,900.00	2,573,680.00	5,807,580.00
Adjustment of Hospital Payments, 1963-1966.....	<u>87,022.11</u>	<u>-0-</u>	<u>377,513.87</u>	<u>377,513.87</u>
Total Hospital Costs.....	<u>8,243,042.11</u>	<u>44,502,000.00</u>	<u>46,601,623.87</u>	<u>91,103,623.87</u>
Less: Refunds covering Compensation Claims, etc.....	<u>39,496.73</u>	<u>114,454.04</u>	<u>148,458.16</u>	<u>262,912.20</u>
	<u>8,203,545.38</u>	<u>44,387,545.96</u>	<u>46,453,165.71</u>	<u>90,840,711.67</u>
TO RESERVES-FROM SUBSCRIBER INCOME	-220,413.15	4,095,708.57	1,597,031.29	5,692,739.86
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	159,952.16	599,774.15	825,885.03	1,425,659.18
Alteration Expense.....	<u>-70,397.74</u>	<u>-30,664.69</u>	<u>-147,626.53</u>	<u>-178,291.22</u>
	<u>89,554.42</u>	<u>569,109.46</u>	<u>678,258.50</u>	<u>1,247,367.96</u>
ADDITION TO RESERVES 1967 OPERATIONS.....	-130,858.73	4,664,818.03	2,275,289.79	6,940,107.82
<u>ADJUSTMENT TO RESERVES DUE TO DETERMINATION OF ACTUAL HOSPITAL SERVICES INCURRED LAST HALF 1966</u>	<u>-0-</u>	<u>313,490.58</u>	<u>-0-</u>	<u>313,490.58</u>
NET ADDITION TO RESERVES.....	<u>\$ -130,858.73</u>	<u>\$ 4,978,308.61</u>	<u>\$ 2,275,289.79</u>	<u>\$ 7,253,598.40</u>



EXHIBIT 13

STATEMENT OF OPERATIONS - 1934 TO DATE
December 31, 1967

	<u>1934-1964</u>	<u>YEAR</u> <u>1965</u>	<u>YEAR</u> <u>1966</u>	<u>YEAR TO DATE</u> <u>1967</u>	<u>JULY 1, 1934</u> <u>TO</u> <u>DECEMBER 31, 1967</u>
<u>INCOME FROM SUBSCRIBERS</u>	\$910,207,570.43	\$99,386,366.79	\$104,322,447.16	\$99,728,713.53	\$1,213,645,097.91
<u>ADMINISTRATIVE EXPENSE</u>	<u>29,265,415.37</u>	<u>2,189,442.23</u>	<u>2,687,628.94</u>	<u>3,195,262.00</u>	<u>37,337,748.54</u>
	<u>880,942,155.06</u>	<u>97,196,924.56</u>	<u>101,634,818.22</u>	<u>96,533,451.53</u>	<u>1,176,307,349.37</u>
<u>HOSPITAL SERVICES INCURRED</u>	<u>877,600,253.98</u>	<u>99,569,797.47</u>	<u>89,666,970.66</u>	<u>90,840,711.67</u>	<u>1,157,677,733.78</u>
	<u>3,341,901.08</u>	<u>-2,372,872.91</u>	<u>11,967,847.56</u>	<u>5,692,739.86</u>	<u>18,629,615.59</u>
<u>OTHER INCOME LESS</u>					
<u>OTHER DEDUCTIONS</u>	<u>5,169,835.39</u>	<u>674,070.61</u>	<u>725,797.91</u>	<u>1,247,367.96</u>	<u>7,817,071.87</u>
<u>TO RESERVES</u>	<u>\$ 8,511,736.47</u>	<u>\$ -1,698,802.30</u>	<u>\$ 12,693,645.47</u>	<u>\$ 6,940,107.82</u>	<u>\$ 26,446,687.46</u>
<u>LESS: RESERVE FOR ADJUSTMENT</u>					
<u>OF HOSPITAL PAYMENTS 1963-1966</u>					<u>1,125,486.13</u>
<u>TO CONTINGENCIES RESERVE</u>					<u>\$ 25,321,201.33</u>

PERCENTAGE DISTRIBUTION OF SUBSCRIBER INCOME

<u>HOSPITAL SERVICES INCURRED</u>	96.42	100.19	85.95	91.09	95.39
<u>ADMINISTRATIVE EXPENSE</u>	3.21	2.20	2.58	3.20	3.08
<u>CONTINGENCIES RESERVE</u>	.37	-2.39	11.47	5.71	1.53
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Persons Protected	1,719,330	1,728,436	1,674,791	1,686,026	
Contingencies Reserve Per Capita	\$4.95	\$3.94	\$11.64	\$15.02	
Contingencies Reserve in months of					
Hospital and Administrative Expense	1.02	.79	2.92	3:15	

Cleveland Blue Cross began operations July, 1934.
Akron Blue Cross began operations January, 1937.



EXHIBIT 14

SUBSCRIBERS
December 31, 1967

	PROTECTED (A)					
	BLUE CROSS	FULL SERVICE				
	65	INDIV.	FAMILY	COMBINED	SERVED (B)	TOTAL
<u>PERSONS PROTECTED AND SERVED</u>						
Previous Month.....	146,943	170,436	1,274,503	1,591,882	75,470	1,667,352
Additions.....	200	-1,072	95,016	94,144	3,896 (C)	98,040
As of this Date.....	<u>147,143</u>	<u>169,364</u>	<u>1,369,519</u>	<u>1,686,026</u>	<u>79,366</u>	<u>1,765,392</u>
<u>CONTRACTS</u>						
Previous Month.....	146,943	170,436	353,484	670,863	27,660	698,523
Additions.....	200	-1,072	-2,406	-3,278	227	-3,051
As of this Date.....	<u>147,143</u>	<u>169,364</u>	<u>351,078</u>	<u>667,585</u>	<u>27,887</u>	<u>695,472</u>

AT END OF CALENDAR YEAR

<u>PROTECTED(A)</u>			<u>PROTECTED(A)</u>			<u>PERSONS SERVED(B)</u>
<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	
1934	3,220	3,220	1950	542,807	1,258,858	
1935	18,473	18,473	1951	566,388	1,351,566	
1936	42,500	42,500	1952	599,716	1,434,332	
1937	91,654	91,654	1953	625,723	1,557,370	
1938	116,974	173,944	1954	634,535	1,581,975	
1939	171,212	316,425	1955	662,865	1,697,557	
1940	238,027	464,979	1956	670,460	1,733,542	
1941	304,808	617,294	1957	674,141	1,778,509	
1942	332,284	697,595	1958	666,132	1,770,623	
1943	369,350	786,387	1959	683,681	1,825,097	
1944	399,731	854,274	1960	672,701	1,801,331	43,870
1945	401,889	870,241	1961	663,820	1,780,567	43,870
1946	473,163	1,036,063	1962	651,235	1,742,035	43,870
1947	489,381	1,083,538	1963	643,245	1,710,422	68,507
1948	490,775	1,102,656	1964	646,084	1,719,330	72,885
1949	493,275	1,130,716	1965	655,254	1,728,436	74,518
			1966	688,713	1,674,791	71,096

- (A) Persons are considered protected if B C.N.O. has issued the contract to the subscriber.
- (B) Persons are considered served if another Blue Cross Plan has issued the contract to the subscriber under a National Plan and B C.N.O. has agreed with the Plan to service the hospital benefits for the local subscribers.
- (C) Reflects adjustments on children per family contract to 1.925 census factor for both protected and served contracts exclusive of F.E.P.



